

Jim Verville, Michigan Medicare/Medicaid Assistance Program Site Coordinator
Region 10 - Area Agency on Aging, Traverse City, MI
Statement regarding Senate Bills 61 and 62.

Chairman Lund and Members of the Committee, we truly appreciate the opportunity to speak to you concerning the two Senate bills that are before you today. As a way of introduction, my name is Jim Verville and I am the Region 10 Site Coordinator for the Medicare Medicaid Assistance Program otherwise known as MMAP. MMAP is part of the nation-wide State Health Insurance Assistance Program sponsored by CMS Medicare. Our organization provides help to Michigan residents who are eligible for Medicare by aging into the system or by way of a disability. MMAP consists of volunteers and paid staff who are well trained and certified to assist Medicare beneficiaries in a wide variety of areas. We are not associated with any insurance companies and our services are free to the citizens of our state. We believe our help and recommendations are unbiased and truly reflect the best options available for the clients we serve.

Accompanying me today is Joanne Demeyere from Traverse City. Ms Demeyere is on Medicare via Social Security Disability. She is currently enrolled in the BCBSM Legacy Medigap C plan. I am also furnishing you with copies of statements from three other individuals who were unable to accompany me this morning. They are Ms. Cheryl Van't Hof, and Ms. Arrah Facsko, both of whom are also on Social Security Disability. Lastly, Mr. Phil Balyeat, who is a 97 year-old resident. All are current enrollees in the BCBSM Legacy Medigap products, and all are from Traverse City.

I am here today to say a few words about the possible effect that Senate Bills 61 and 62 will have on two very important Medicare insurance supplements that are currently offered by Blue Cross Blue Shield of Michigan. These supplements are the Legacy Medigap Plans A and C. These two plans have several important features that make them a very good choice for the 210,000 Michigan residents who are currently enrolled in them:

1. They are affordable.
2. Both plans are community rated meaning that all subscribers pay the same premium.
3. There is no underwriting based on age, health conditions, gender or other criteria often used by insurance companies to determine eligibility and pricing for their medigap policies.

There are 36 companies that offer one or more of the 11 different medigap plans in Grand Traverse County. The benefit structure for each of the 11 medigap plans are approved by Medicare and differ from each other. With the exception of a few, most of the insurance companies that offer medigap plans use underwriting to determine eligibility and premium cost. Many of the plans either exclude Medicare beneficiaries who are under 65 and eligible for Medicare because of a disability or they charge an enormous premium for coverage. Often people with disabilities are on a low fixed income, are receiving a substantial amount of medical treatment, and are incurring a large cost for health care expenses because of their disability.

Low income people and those with disabilities who are on Medicare simply cannot afford other medigap plans. Some have suggested that Medicare Advantage plans will provide an affordable solution to their health care expenses. This is untrue. Those beneficiaries who have many health issues would pay a huge out-of-the pocket cost in the form of deductibles and co-pays if they were subscribed to a Medicare Advantage plan. This fact has been demonstrated by others who have already furnished testimony to you.

If these low cost Blue Cross Blue Shield Legacy Medigap plans were to become unaffordable or unavailable, I believe that there will be more beneficiaries seeking assistance from the State of Michigan in the form of increased demand on Medicaid programs to pay for their medical expenses. This would place a huge burden on taxpayers.

Mr. Chairman and Members of the Committee, there are over 200,000 Michigan residents currently enrolled in these Legacy Medigap products. I am here to say that most of these seniors and individuals who are disabled have no idea that their health insurance is going to change in 2016.

Please remember that:

- The Affordable Care Act does nothing to protect medigap products
- Medicare Advantage plan will not be a substitute for the Legacy products
- People on disability have limited choices for medigap insurance and the prices are always cost prohibitive
- There will be a quarter million Michiganders upset and wondering what happened to their Legacy health insurance plan in July 2016, if you do not afford them the protection they need.

Ladies and gentlemen of the Committee, there is a solution if you choose to act. The amendment drafted by the Attorney General will protect those citizens who have enrolled in these Legacy plans. Please! Make it right and adopt this amendment before you send this legislation out to the floor.

Thank you very much for your time.